

**Introduced by Senator Speier**

February 18, 2005

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An act to amend Sections 14085.51, 14087.52, 14087.53, and 14087.51 of the Welfare and Institutions Code, relating to health care.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 458, as introduced, Speier. Basic health care: counties.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and pursuant to which health care services are provided to qualified low-income persons. Existing law authorizes San Mateo County, San Bernardino County, Ventura County, and other counties to establish a special commission in order to meet the problems of delivery of publicly assisted medical care in each county, and to demonstrate ways of promoting quality care and cost efficiency.

This bill would revise the scope of that authorization to expand the scope of the mission of the commissions to include meeting the problems of a lack of access to affordable health care coverage, and would authorize a county to establish a commission that may offer coverage for both publicly assisted medical care and privately financed medical care for both the residents of the county and residents of other counties if the commission's governing body determines that there exists a need for affordable coverage in other counties.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14087.51 of the Welfare and Institutions Code is amended to read:

14087.51. (a) It is necessary that a special commission be established in San Mateo County and in any other county designated by the California Medical Assistance Commission in order to meet the problems of the delivery of publicly assisted medical care, *or lack of access to affordable health plan coverage* in the counties and to demonstrate ways of promoting quality care and cost efficiency *for both publicly assisted medical care and privately financed medical care. The commission may offer coverage for privately financed medical care for residents of other counties if the governing body of the commission determines that the need for affordable coverage exists in other counties.*

(b) The Board of Supervisors of San Mateo County and of the designated counties may, by ordinance, establish commissions to do any or all of the following:

(1) Negotiate the exclusive contracts specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter.

(2) Enter into contracts for the provision of health care services to subscribers in the Healthy Families Program.

(3) Enter into agreements under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(c) In addition to the authority specified in subdivision (b), the Board of Supervisors of San Mateo County may, by ordinance, authorize the commission established pursuant to this section to provide health care delivery systems for any or all of the following persons:

(1) Persons who are eligible to receive medical benefits under this chapter in the county, including, but not limited to, persons who are eligible through federal waiver or a pilot project.

(2) Persons who are eligible to receive medical benefits under both Title 18 and Title 19 of the federal Social Security Act.

(3) Persons who are eligible to receive medical benefits under Title 18 of the federal Social Security Act.

(4) Persons who are eligible to receive medical benefits under publicly supported programs if the commission and participating

1 providers acting pursuant to subcontracts with the commission  
2 agree to hold harmless the beneficiaries of the publicly supported  
3 programs if the contract between the sponsoring government  
4 agency and the commission does not ensure sufficient funding to  
5 cover program costs.

6 (d) If the board of supervisors elects to enact an ordinance  
7 pursuant to this section, all rights, powers, duties, privileges, and  
8 immunities vested in a county by an article shall be vested in the  
9 county commission. Any reference in this article to “county”  
10 shall mean a commission established pursuant to this section.

11 (e) The enabling ordinance shall specify the membership of  
12 the county commission, the qualifications for individual  
13 members, and any other matters as the board of supervisors  
14 deems necessary or convenient for the conduct of the county  
15 commission’s activities. A commission so established shall be  
16 considered a public entity for purposes of Division 3.6  
17 (commencing with Section 810) of Title 1 of the Government  
18 Code. All commissioners shall be appointed by majority vote of  
19 the board of supervisors and shall serve at the pleasure thereof.  
20 The board of supervisors may appoint no more than two of its  
21 own members to serve on the commission.

22 (f) As an alternative to establishing a separate commission, the  
23 enabling ordinance may designate the board of supervisors itself  
24 as the commission authorized by this article.

25 SEC. 2. Section 14087.52 of the Welfare and Institutions  
26 Code is amended to read:

27 14087.52. (a) It is necessary that a special commission be  
28 established in San Bernardino County in order to meet the  
29 problems of the delivery of publicly assisted medical care, *or*  
30 *lack of access to affordable health plan coverage* in the county  
31 and to demonstrate ways of promoting quality care and cost  
32 efficiency *for both publicly assisted medical care and privately*  
33 *financed medical care. The commission may offer coverage for*  
34 *privately financed medical care for residents of other counties if*  
35 *the governing body of the commission determines that the need*  
36 *for affordable coverage exists in other counties.* Because there is  
37 no general law under which such a commission could be formed,  
38 the adoption of a special act and the formation of a special  
39 commission is required.

(b) The Board of Supervisors of San Bernardino County may, by ordinance, establish a commission to negotiate the exclusive contract specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter, and to enter into contracts for the provision of health care services to subscribers in the Healthy Families Program. If the board of supervisors elects to enact this ordinance, all rights, powers, duties, privileges, and immunities vested in a county by this article shall be vested in the county commission. Any reference in this article to “county” shall mean the commission established pursuant to this section.

(c) It is the intent of the Legislature that if such a commission is formed, the County of San Bernardino shall, with respect to its medical facilities and programs, occupy no greater or lesser status than any other health care provider in negotiating with the commission for contracts to provide health care services.

(d) The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, the manner of appointment, selection, or removal of commissioners, and how long they shall serve, and any other matters as the board of supervisors deems necessary or convenient for the conduct of the county commission’s activities. The commission so established shall be considered an entity separate from the county, shall file the statement required by Section 53051 of the Government Code, and shall have, in addition to the rights, powers, duties, privileges, and immunities previously conferred, the power to acquire, possess, and dispose of real or personal property, as may be necessary for the performance of its functions, to employ personnel and contract for services required to meet its obligations, and to sue or be sued. Any obligations of the commission, statutory, contractual, or otherwise, shall be the obligations solely of the commission and shall not be the obligations of the county or of the state unless expressly provided for in a contract between the commission and the county or state.

(e) Upon creation, the commission may borrow from the county, and the county may lend the commission funds, or issue revenue anticipation notes to obtain those funds necessary to commence operations.

1 (f) In the event the commission may no longer function for the  
2 purposes for which established, at such time as the commission's  
3 then existing obligations have been satisfied or the commission's  
4 assets have been exhausted, the board of supervisors may by  
5 ordinance terminate the commission.

6 (g) Prior to the termination of the commission, the board of  
7 supervisors shall notify the State Department of Health Services  
8 of its intent to terminate the commission. The department shall  
9 conduct an audit of the commission's records within 30 days of  
10 notification to determine the liabilities and assets of the  
11 commission. The department shall report its findings to the board  
12 within 10 days of completion of the audit. The board shall  
13 prepare a plan to liquidate or otherwise dispose of the assets of  
14 the commission and to pay the liabilities of the commission to the  
15 extent of the commission's assets, and present the plan to the  
16 department within 30 days upon receipt of these findings.

17 (h) Upon termination of the commission by the board, the  
18 County of San Bernardino shall manage any remaining assets of  
19 the commission until superseded by a department approved plan.  
20 Any liabilities of the commission shall not become obligations of  
21 the county upon either the termination of the commission or the  
22 liquidation or disposition of the commission's remaining assets.

23 (i) Any assets of the commission shall be disposed of pursuant  
24 to provisions contained in the contract entered into between the  
25 state and the commission pursuant to this article.

26 SEC. 3. Section 14087.53 of the Welfare and Institutions  
27 Code is amended to read:

28 14087.53. (a) It is necessary that a special commission be  
29 established in Ventura County in order to meet the problems of  
30 the delivery of publicly assisted medical care, *or lack of access to*  
31 *affordable health plan coverage*, in the county and to  
32 demonstrate ways of promoting quality care and cost efficiency  
33 *for both publicly assisted medical care and privately financed*  
34 *medical care. The commission may offer coverage for privately*  
35 *financed medical care for residents of other counties if the*  
36 *governing body of the commission determines that the need for*  
37 *affordable coverage exists in other counties.* Because there is no  
38 general law under which such a commission could be formed, the  
39 adoption of a special act and the formation of a special  
40 commission is required.

(b) The Board of Supervisors of Ventura County may, by ordinance, establish a commission to negotiate the exclusive contract specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter, and to enter into contracts for the provision of health care services to subscribers in the Healthy Families Program. If the board of supervisors elects to enact this ordinance, all rights, powers, duties, privileges, and immunities vested in a county by this article shall be vested in the county commission. Any reference in this article to “county” shall mean the commission established pursuant to this section.

(c) The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, the manner of appointment, selection, or removal of commissioners, and how long they shall serve, and any other matters as the board of supervisors deems necessary or convenient for the conduct of the county commission’s activities. The commission so established shall be considered an entity separate from the county, shall file the statement required by Section 53051 of the Government Code, and shall have, in addition to the rights, powers, duties, privileges, and immunities previously conferred, the power to acquire, possess, and dispose of real or personal property, as may be necessary for the performance of its functions, to employ personnel and contract for services required to meet its obligations, and to sue or be sued. Any obligations of the commission, statutory, contractual, or otherwise, shall be the obligations solely of the commission and shall not be the obligations of the county or of the state.

(d) Upon creation, the commission may borrow from the county and the county may lend the commission funds, or issue revenue anticipation notes to obtain those funds necessary to commence operations.

(e) In the event the commission may no longer function for the purposes for which established, at such time as the commission’s then existing obligations have been satisfied or the commission’s assets have been exhausted, the board of supervisors may by ordinance terminate the commission.

(f) Prior to the termination of the commission, the board of supervisors shall notify the State Department of Health Services of its intent to terminate the commission. The department shall

1 conduct an audit of the commission's records within 30 days of  
2 notification to determine the liabilities and assets of the  
3 commission. The department shall report its findings to the board  
4 within 10 days of completion of the audit. The board shall  
5 prepare a plan to liquidate or otherwise dispose of the assets of  
6 the commission and to pay the liabilities of the commission to the  
7 extent of the commission's assets, and present the plan to the  
8 department within 30 days upon receipt of these findings.

9 (g) Any assets of the commission shall be disposed of pursuant  
10 to provisions contained in the contract entered into between the  
11 state and the commission pursuant to this article.

12 (h) It is the intent of the Legislature that if such a commission  
13 is formed, the County of Ventura shall, with respect to its  
14 medical facilities and programs, occupy no greater or lesser  
15 status than any other health care provider in negotiating with the  
16 commission for contracts to provide health care services.

17 (i) Upon termination of the commission by the board, the  
18 County of Ventura shall manage any assets of the commission  
19 until superseded by a department approved plan. Any liabilities  
20 of the commission shall not become obligations of the county  
21 upon either the termination of the commission or the liquidation  
22 or disposition of the commission's remaining assets.

23 SEC. 4. Section 14087.54 of the Welfare and Institutions  
24 Code is amended to read:

25 14087.54. (a) Any county or counties, *including counties*  
26 *subject to Section 14087.51, 14087.52, or 14087.53*, may  
27 establish a special commission in order to meet the problems of  
28 the delivery of publicly assisted medical care, *or lack of access to*  
29 *affordable health plan coverage*, in the county or counties and to  
30 demonstrate ways of promoting quality care and cost efficiency  
31 *for both publicly assisted medical care and privately financed*  
32 *medical care. A commission may offer coverage for privately*  
33 *financed medical care for residents of other counties if the*  
34 *governing body of the commission determines that the need for*  
35 *affordable coverage exists in other counties.*

36 (b) A county board of supervisors may, by ordinance, establish  
37 a commission to negotiate the exclusive contract specified in  
38 Section 14087.5 and to arrange for the provision of health care  
39 services provided pursuant to this chapter. The boards of  
40 supervisors of more than one county may also establish a single

1 commission with the authority to negotiate an exclusive contract  
2 and to arrange for the provision of services in those counties. If a  
3 board of supervisors elects to enact this ordinance, all rights,  
4 powers, duties, privileges, and immunities vested in a county by  
5 this article shall be vested in the county commission. Any  
6 reference in this article to “county” shall mean a commission  
7 established pursuant to this section.

8 (c) It is the intent of the Legislature that if a county forms a  
9 commission pursuant to this section, the county shall, with  
10 respect to its medical facilities and programs occupy no greater  
11 or lesser status than any other health care provider in negotiating  
12 with the commission for contracts to provide health care services.

13 (d) The enabling ordinance shall specify the membership of  
14 the county commission, the qualifications for individual  
15 members, the manner of appointment, selection, or removal of  
16 commissioners, and how long they shall serve, and any other  
17 matters as a board of supervisors deems necessary or convenient  
18 for the conduct of the county commission’s activities. A  
19 commission so established shall be considered an entity separate  
20 from the county or counties, shall be considered a public entity  
21 for purposes of Division 3.6 (commencing with Section 810) of  
22 Title 1 of the Government Code, and shall file the statement  
23 required by Section 53051 of the Government Code. The  
24 commission shall have in addition to the rights, powers, duties,  
25 privileges, and immunities previously conferred, the power to  
26 acquire, possess, and dispose of real or personal property, as may  
27 be necessary for the performance of its functions, to employ  
28 personnel and contract for services required to meet its  
29 obligations, to sue or be sued, and to enter into agreements under  
30 Chapter 5 (commencing with Section 6500) of Division 7 of Title  
31 1 of the Government Code. Any obligations of a commission,  
32 statutory, contractual, or otherwise, shall be the obligations solely  
33 of the commission and shall not be the obligations of the county  
34 or of the state.

35 (e) Upon creation, a commission may borrow from the county  
36 or counties, and the county or counties may lend the commission  
37 funds, or issue revenue anticipation notes to obtain those funds  
38 necessary to commence operations.

39 (f) In the event a commission may no longer function for the  
40 purposes for which it was established, at such time as the



1 commission's then existing obligations have been satisfied or the  
2 commission's assets have been exhausted, the board or boards of  
3 supervisors may by ordinance terminate the commission.

4 (g) Prior to the termination of a commission, the board or  
5 boards of supervisors shall notify the State Department of Health  
6 Services of its intent to terminate the commission. The  
7 department shall conduct an audit of the commission's records  
8 within 30 days of the notification to determine the liabilities and  
9 assets of the commission. The department shall report its findings  
10 to the board or boards within 10 days of completion of the audit.  
11 The board or boards shall prepare a plan to liquidate or otherwise  
12 dispose of the assets of the commission and to pay the liabilities  
13 of the commission to the extent of the commission's assets, and  
14 present the plan to the department within 30 days upon receipt of  
15 these findings.

16 (h) Upon termination of a commission by the board or boards,  
17 the county or counties shall manage any remaining assets of the  
18 commission until superseded by a department approved plan.  
19 Any liabilities of the commission shall not become obligations of  
20 the county or counties upon either the termination of the  
21 commission or the liquidation or disposition of the commission's  
22 remaining assets.

23 (i) Any assets of a commission shall be disposed of pursuant  
24 to provisions contained in the contract entered into between the  
25 state and the commission pursuant to this article.